

Lend Lease Europe GP Limited

Directors' report and financial statements

30 June 2005

Registered number 3540670



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Directors' report and financial statements

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Directors' report

The directors present their report and the audited financial statements for the year ended 30 June 2005.

Principal activities

The principal activity of Lend Lease Europe GP Limited is to act as general partner to the Lend Lease Retail Partnership.

Results and dividends

The profit for the year after taxation amounted to £74,809 (2004: £66,365). The directors do not recommend the payment of a dividend (2004: £nil).

Directors and directors' interests

The directors of the company during the year were as follows:

'O' Directors

J P Allwood
D K Perry (resigned 10 February 2006)
C S Matheson
J Peacock (resigned 26 July 2005)
J N Peers (appointed 2 February 2006)

'D' Directors

N Price (resigned 31 December 2005)
K G Saunders
G A T Turnbull
N H C Thompson (appointed 29 March 2006)


'D' directors are appointed by the 'D' shareholders of Lend Lease Europe GP Limited and are independent of the Lend Lease Europe Holdings Limited group.

None of the directors who held office at the end of the financial year, or their families and family trusts, had any disclosable interest in the shares of the company. In accordance with section 324 of the Companies Act 1985, holdings in the share capital of other group companies are not disclosed.

Auditors

A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at a forthcoming Annual General Meeting.

On behalf of the board


C S Matheson
Director

10 Maltravers St, 2nd Floor
London WC2R 3NG
27 April 2006

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The above statement should be read in conjunction with the statement of auditor's responsibilities set out in the auditor's report on page 3.

Independent auditor's report to the members of Lend Lease Europe GP Limited

We have audited the financial statements on pages 4 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

27 April 2006

8 Salisbury Square
London
EC4Y 8BB
2006

Profit and loss account

for the year ended 30 June 2005

	<i>Note</i>	2005 £	2004 £
Turnover	1	2,535,424	3,132,484
Administrative expenses		(2,429,891)	(3,045,640)
Operating profit		<hr/> 105,533	<hr/> 86,844
Interest receivable and similar income		2,939	1,480
Profit on ordinary activities before taxation		<hr/> 108,472	<hr/> 88,324
Tax on profit on ordinary activities	4	(33,663)	(21,959)
Profit on ordinary activities after taxation		<hr/> 74,809	<hr/> 66,365
Retained profit brought forward	9	329,152	262,787
Retained profit carried forward		<hr/> <hr/> 403,961	<hr/> <hr/> 329,152

All activities are continuing.

The company had no recognised gains or losses other than the profit for the year.

There is no difference between the profit as reported and the profit on a historical cost basis.

The notes to and forming part of the financial statements are set out on pages 6 to 9.

Balance sheet

at 30 June 2005

	Note	£	2005	£	£	2004	£
Fixed assets							
Investment	5			1			1
Current assets							
Debtors	6	915,331			811,533		
Creditors: amounts falling due within one year	7	(511,319)			(482,330)		
Net current assets			404,012			329,203	
Net assets			404,013			329,204	
Capital and reserves							
Called up share capital	8		52			52	
Profit and loss account			403,961			329,152	
Shareholders' funds	9		404,013			329,204	
Analysis of shareholders' funds							
Equity			403,962			329,153	
Non-equity			51			51	
			404,013			329,204	

The notes to and forming part of these financial statements are set out on pages 6 to 9.

These financial statements were approved by the board of directors on 27 April 2006 and were signed on its behalf by:



C S Matheson
Director



P J Allwood
Director

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Exemption from requirement to prepare group accounts

The company is a wholly owned subsidiary within the Lend Lease Europe Holdings Limited group, a company registered in England and Wales which prepares consolidated financial statements. The company is exempt (under section 228 of the Companies Act 1985) from the obligation to prepare group financial statements. The financial statements of the company present information about the company as an individual undertaking and not about its group.

Fixed asset investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation. In accordance with Financial Reporting Standard No 19 'Deferred Tax', deferred taxation is provided fully and on a non discounted basis at future corporation tax rates in respect of timing differences between profits computed for taxation and accounts purposes.

Cash flow statement

A cash flow statement is not included with these financial statements as a consolidated cash flow statement, produced under Financial Reporting Standard No 1, is included in the financial statements of Lend Lease Europe Holdings Limited.

Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 'Related Party Disclosures' to dispense with the requirement to disclose transactions with group companies.

Turnover

Turnover is stated net of value added tax and is derived from the following sources:

	2005 £	2004 £
Management fee	2,088,075	1,811,112
Rental income – external	6,696	4,837
Other	440,653	1,316,535
	<hr/> 2,535,424 <hr/>	<hr/> 3,132,484 <hr/>

All turnover arose in the United Kingdom.

Notes to the financial statements *(continued)*

2 Directors' remuneration and employees

The 'O' directors are remunerated as employees by other group companies and received no emoluments in respect of their services as directors.

The 'D' directors received a total of £37,500 (2004: £37,500) for their services as directors. The emoluments of the highest paid director were £12,500 (2004: £12,500). These fees are reimbursed by the Lend Lease Retail Partnership.

The company did not employ any staff during the year (2004: nil).

3 Auditor's remuneration

Auditor's remuneration is borne by Lend Lease Europe Limited, the immediate holding company.

4 Tax on profit on ordinary activities

Analysis of charge for the year:

	2005	2004
	£	£
Current tax		
UK Corporation tax on profit for the year	33,663	21,959

The tax assessed differs from the application of the standard rate of corporation tax in the UK (30%) to the company's profit before taxation for the following reasons:

Profit on ordinary activities before tax	108,472	88,324
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK (30%)	32,542	26,497
Effects of:		
Share of taxable (losses)/profits of Lend Lease Retail Partnership	-	49
Expenses not deductible for tax purposes	1,121	-
Other sundry differences	-	(4,587)
Total current tax	33,663	21,959

The above tax calculation is an estimate prepared at the time of signing the financial statements. Any adjustments subsequently agreed with the Inland Revenue will be reflected in the financial statements for the period in which such agreement is reached.

Notes to the financial statements *(continued)*

5 Fixed asset investment

The investment relates to a holding in Lend Lease Retail Partnership. As general partner the company is required to hold one share in Lend Lease Retail Partnership.

The holding is included in the balance sheet at cost. The directors are satisfied that the investment is worth at least the amount at which it is stated in the balance sheet.

6 Debtors

	2005 £	2004 £
Amounts owed by group undertaking	189,706	-
Taxation and social security	187,311	273,196
Prepayments and accrued income	538,314	538,337
	<hr/> 915,331	<hr/> 811,533
	<hr/>	<hr/>

7 Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to group undertakings	-	26,294
Accruals and deferred income	511,319	456,036
	<hr/> 511,319	<hr/> 482,330
	<hr/>	<hr/>

8 Called up share capital

	2005 £	2004 £
<i>Authorised</i>		
10,000 'D' Shares of £0.01 each	100	100
500,000,000 'O' Shares of £1 each	500,000,000	500,000,000
	<hr/> 500,000,100	<hr/> 500,000,100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
5,064 'D' Shares of £0.01 each	51	51
1 'O' Share of £1 each	1	1
	<hr/> 52	<hr/> 52
	<hr/>	<hr/>

Notes to the financial statements *(continued)*

8 Called up share capital *(continued)*

'D' shares only carry the rights to vote on the appointment or removal of 'D' directors. They are repaid in preference to 'O' shares on the winding up of the company but carry no rights to a dividend.

'O' shares carry all voting rights to the company except those described above. They are repaid after 'D' shares on the winding up of the company but carry the rights to receive all dividends declared by the company.

9 Reconciliation of movements in shareholders' funds

	2005	2004
	£	£
Opening shareholders' funds	329,204	262,839
Profit for the financial year	74,809	66,365
	<hr/>	<hr/>
Closing shareholders' funds	404,013	329,204
	<hr/>	<hr/>

10 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Lend Lease Europe Limited, which is registered in England and Wales. Its ultimate parent undertaking is Lend Lease Corporation Limited, which is incorporated in Australia.

The largest group in which the results of the company are consolidated is that headed by Lend Lease Corporation Limited. The consolidated financial statements of that group may be obtained from the group's website at www.lendlease.com.au.

The smallest group in which the results of the company are consolidated is that headed by Lend Lease Europe Holdings Limited. Consolidated financial statements may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.